

Office of Attorney General Terry Goddard



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FOR IMMEDIATE RELEASE

Consumer Advisory

Terry Goddard Warns of Fraudulent Mortgage 'Assistance' Businesses

(Phoenix, Ariz. – Dec. 8, 2008) Arizona Attorney General Terry Goddard today warned homeowners facing foreclosure to be careful when approached by persons offering to help with loan modifications or other foreclosure-prevention techniques.

The Attorney General's Office has experienced a recent increase in complaints from consumers who have been contacted by individuals claiming to have "connections" and expertise in negotiating with mortgage lenders to reduce consumers' monthly payments and/or prevent foreclosure. These individuals charge consumers high upfront fees and say they can modify mortgage terms to make them more affordable.

Unfortunately, these third-party negotiators rarely deliver on their promises. In some cases, consumers have paid a fee of one month's mortgage payment, and the rescuer simply took the money without even contacting the lender.

"If you are behind on your mortgage payments, it is imperative that you contact your mortgage lender immediately," Goddard said. "Free counseling services are also available to help consumers work with their lender. I urge homeowners to avoid mortgage 'rescue' businesses that simply take money from them."

Goddard recommends that homeowners who are in or facing foreclosure seek assistance promptly from their mortgage lender or servicer or a government-certified housing counselor.

Federal, state and local governments offer numerous free resources for distressed homeowners, including:

- Arizona Foreclosure Help-Line 1.877.448.1211
- Arizona Department of Housing 602.771.1000 www.housingaz.com

- The U.S. Department of Housing and Urban Development
800 CALL FHA (225.5342) www.hud.gov
- Lawyers Helping Homeowners www.azlawhelp.org

Additional tips and resources are available on the Attorney General's Web site, www.azag.gov.

If you believe you have been a victim of fraud, please contact the Attorney General's Office in Phoenix at 602.542.5763; in Tucson at 520.628.6504; or outside the Phoenix and Tucson metro areas at 1.800.352.8431. To file a complaint in person, the Attorney General's Office has 37 satellite offices throughout the state with volunteers available to help. Locations and hours of operation are posted on the Attorney General's Web site. Consumers can also file complaints online by visiting the Attorney General's Web site at www.azag.gov.

For additional information, please contact Anne Hilby at (602) 542-8019.

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